

REPLACEMENT CLAIMS

Please substitute the following claims for the pending claims with the same number.

55. (Amended) A method of providing an incentive for participant action by participants engage in an activity pursuant to which participants earn points, and a record of the point total for each participant is maintained, the point total reflecting the points earned by the participant engaged in the activity, the method comprising:

22 providing an incentive program pursuant to which participants in the incentive program are assigned a redemption rate and the redemption rate assigned to each participant is adjusted in response to participant action and wherein the redemption rate associated with a participant determines the redemption value of the point total associated with that participant such that the redemption value for two participants having an identical point total can be different as a consequence of participant action in the incentive program.

56. (Amended) The method of Claim 55, wherein the incentive program is used to encourage the participants to participate in the activity frequently, and comprising the method further determining whether a predetermined time period has elapsed between consecutive participation and wherein:

if the player has a positive credit point balance, the redemption rate is increased by predetermined amount every time the participant participates within the predetermined time period;

if the player has a negative point balance then the redemption rate is decreased by predetermined amount every time the participant participates within the predetermined time period;

Q2
Cont'd if the player has a positive point balance, the redemption rate is decreased by predetermined amount whenever the predetermined time period interval has passed without the participant participating; and *B*

if the player has a negative point balance then the redemption rate is increased by predetermined amount whenever the predetermined time period interval has passed without the participant participating.

~~57.~~ (Delete)

~~58.~~ (New) The method of Claim 55, wherein the incentive program is used to

Q3 encourage participant loyalty to a particular merchant.
